

Message Text

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45

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 STR-08 AGR-20 COME-00 TAR-02

TRSE-00 SS-20 SPC-03 L-03 H-03 NSC-10 CIAE-00 DODE-00

INR-10 NSAE-00 PA-04 RSC-01 USIA-15 PRS-01 SAM-01

OMB-01 FEA-02 ARA-16 DRC-01 (ISO) W

----- 098677

R 020830Z MAR 74

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC 7229

INFO AMEMBASSY STOCKHOLM

AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

USMISSION EC BRUSSELS

UNCLAS HELSINKI 0436

E.O. 11652: N/A

TAGS: ETRD, ENRG, EAGR, FI

SUBJECT: AMERICAN FROZEN CITRUS CONCENTRATE AND
CANNED FRUIT EXPORTS TO FINLAND MAY SUFFER
FROM ENERGY CRISIS.

PASS AGRICULTURE

1. A RECENT VISITOR, MR. DAVID S. ALBERTSON, WHO
SELLS AMERICAN FROZEN ORANGE JUICE CONCENTRATE,
CALLED THE ATTENTION OF THIS OFFICE TO A DEVELOPING
PROBLEM WHICH WILL AFFECT AMERICAN EXPORTS OF CERTAIN
PRODUCTS TO THIS MARKET.

2. MR. ALBERTSON, WHO IS BASED IN ORLANDO, FLORIDA,
REPORTED AN IMPENDING 50 PER CENT CUT IN JUICE IMPORT
QUOTAS WHICH WAS TO BE ANNOUNCED SOON. HE HAD BEEN
ABLE TO CONFIRM THIS IN HIS MEETINGS WITH OFFICIALS
AT THE EXPORT LICENSING BUREAU OF THE MINISTRY OF
TRADE AND COMMERCE. THE ECONOMIC COUNSELOR AND
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MR. JAMES HOWARD, THE AMERICAN AGRICULTURAL ATTACHE

IN STOCKHOLM, WHO COINCIDENTALLY WAS VISITING HELSINKI, CALLED ON THE HEAD OF THE EXPORT LICENSING OFFICE ON FEBRUARY 26. THIS OFFICIAL AGAIN CONFIRMED THE 50 PER CENT REDUCTION IN ORANGE JUICE IMPORT LICENSES AND INDICATED THAT IMPORTERS HAD BEEN NOTIFIED THOUGH NO PUBLIC ANNOUNCEMENT HAD BEEN MADE. HE PROVIDED STATISTICS SHOWING THAT IN 1973 IMPORTS FROM THE UNITED STATES OF FROZEN CITRUS EXTRACT HAD AMOUNTED TO ABOUT 2.4 MILLION FMK OUT OF A TOTAL OF 10.6 MILLION FMK FROM ALL SOURCES. THERE HAD BEEN IMPORTS FROM COUNTRIES LIKE SWEDEN, THE NETHERLANDS, ENGLAND AND SWITZERLAND WHICH DO NOT PRODUCE THIS CONCENTRATE, TOTALLING ABOUT 1.6 MILLION FMK. SOME OF THIS PROBABLY ALSO ORIGINATED IN THE UNITED STATES. THE QUOTA FOR THIS PRODUCT IN 1974 IS BEING REDUCED BY 50 PER CENT AND UNLESS U.S. SUPPLIERS CAN GAIN A LARGER SHARE OF THE GLOBAL QUOTA THAN THEY OBTAINED LAST YEAR, THEIR EXPORTS TO FINLAND WILL SUFFER A CONSIDERABLE SETBACK DURING THE CURRENT YEAR. SINCE THE PRICE OF THE AMERICAN CONCENTRATE IS SOMETHING LIKE 15 OR 20 PER CENT HIGHER ON THE AVERAGE THAN THAT FROM BRAZIL AND ISRAEL, THE OTHER MAJOR SUPPLIERS, THE U.S. JUICE MAY DO WELL TO MAINTAIN ITS CURRENT SHARE.

3. ALTHOUGH AN OFFICIAL ANNOUNCEMENT OF THE ABOVE HAS NOT BEEN MADE, OTHER PRODUCTS ALSO WILL BE AFFECTED BY IMPORT LICENSE REDUCTIONS. AMONG THEM IS THE CATEGORY OF CANNED FRUITS AND VEGETABLES. THE PLANNED REDUCTION HERE MAY BE AS HIGH AS 50 PER CENT ALSO. IMPORTS BY FINLAND OF U.S. CANNED FRUITS AND VEGETABLES LAST YEAR AMOUNTED TO 12.5 FMK ACCORDING TO FINNISH STATISTICS.

4. ACCORDING TO THE CHIEF OF THE EXPORT LICENSING BUREAU, ONLY ABOUT 9 PER CENT BY VALUE OF FINLAND'S IMPORTS ARE SUBJECT TO LICENSING. THUS, THOSE ITEMS STILL UNDER LICENSING MAY BEAR THE BRUNT OF THE GOVERNMENT'S EFFORTS TO SAVE FOREIGN EXCHANGE IN ORDER TO PAY THE SHARPLY HIGHER PRICES FOR IMPORTED

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PETROLEUM PRODUCTS AND CRUDE OIL WHICH ARE NOW IN EFFECT. OTHER ITEMS MAY BE MADE SUBJECT TO LICENSE, HOWEVER, SO AS TO SPREAD THIS EFFECT.

5. WE POINTED OUT TO THE LICENSING BUREAU THAT WE REGRET VERY MUCH THE DISRUPTION OF THE GROWTH OF A MARKET FOR AMERICAN FROZEN CONCENTRATED CITRUS WHICH THE UNITED STATES GOVERNMENT HAD SUPPORTED

FINANCIALLY IN ITS EARLY YEARS. WE INTEND TO
EXPRESS SIMILAR SENTIMENTS TO OFFICIALS IN THE
FOREIGN MINISTRY AND AT THE POLICY LEVEL IN THE
MINISTRY OF TRADE AND COMMERCE. HOWEVER, GIVEN
THE PRESENT ACUTE PROBLEM OF PAYING FOR IMPORTED
PETROLEUM PRODUCTS AND CRUDE OIL, WE FEEL THAT
THERE IS LITTLE PROSPECT THIS YEAR FOR HAVING THE
DECISIONS TO REDUCE QUOTAS REVERSED.
KREHBIEL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, CITRUS FRUITS, IMPORT LICENSES, IMPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974HELSIN00436
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: HELSINKI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740373/aaaacpii.tel
Line Count: 124
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 18 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 JUN 2002 by elbezefj>; APPROVED <19 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AMERICAN FROZEN CITRUS CONCENTRATE AND CANNED FRUIT EXPORTS TO FINLAND MAY SUFFER
TAGS: ETRD, ENRG, EAGR, FI
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005